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The volume is sound and timely and is the best presentation of the topic available. The author's final test of the fairness of a given method of competition is "whether or not it restricts actually or potentially the normal operation of the law of competition with the resulting survival of efficiency," and he is consistent throughout in adhering to this. This test, broadly interpreted, is economically sound. No attempt has been made to examine into the moral basis of this criterion, doubtless with wisdom, for to attempt this would soon involve the author in the field of ethics and the entire philosophy of life. It is here, if anywhere, that the philosopher can best contribute to this problem, but unfortunately Dr. Reed made no attempt to do so. While the conclusions of Dr. Stevens appear sound, additional weight would have been given them had he tried to set forth and refute in more detail the arguments sometimes advanced to justify the various methods of competition which he condemns.

CHESTER W. WRIGHT

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The Financial History of Boston. By CHARLES PHILLIPS HUSE.
(Harvard Economic Studies, Vol. XV.) Cambridge: Harvard University Press, 1916. 8vo, pp. 395. \$2.00

This work covers the financial history of Boston from May 1, 1822, to January 31, 1909. The earlier date marks the adoption of the city charter, an event which signalized, in the legal sense, the transition from the town form of government, which had developed during the colonial period, to the modern city government. In the economic sense the transformation in the scope of governmental functions was not consummated on that date. The subsequent financial history of Boston is largely the story of the growth of the present complex administrative structure on its fiscal side.

The author divides this history into five periods, each characterized by a financial achievement of unusual significance. The periods and achievements by which they are marked are as follows: (1) "From Town to City Economy, 1822-1844"; (2) "The Building of the Waterworks, 1845-1859"; (3) "The Preservation of the Union; The Great Land and Street Improvements, 1860-1873"; (4) "The Beginning of the Park System, 1874-1886"; (5) "The Metropolitan Districts; the Subways, 1887-1908."

The financial record for each of these periods is covered in great detail and by a quite unusual method of treatment. Every important item of receipts and expenditures is separately analyzed and explained for each period. This analysis is remarkably clear, thorough, and complete. Convenient summaries review the mass of detailed materials and assist in preserving the sense of historical continuity in the city's financial development. Naturally the financial material is given greatest emphasis, but the statistical discussion is relieved throughout by an account of the city's political and social development, and of the personalities in successive generations that have dominated its destiny.

The method of treatment has naturally led to the inclusion of much material of purely local interest; but this will doubtless prove one of the book's most interesting features, especially to those already familiar with the history of Boston. The book as a whole will be of much more than local interest, however, because of its value as a study in the evolution of the modern municipal financial structure. Among the more interesting features of this evolution, as illustrated by the history of Boston, are the following:

1. The enormous expansion of governmental functions and the resultant increase in the cost of government. Boston's geographical situation and the political conditions which have sometimes existed have contributed to this increase; but a more important cause has been the expansion of public activities as the people came to demand provision of additional services at public expense.

2. The close relation between general economic conditions and the activity in city affairs. Great forward strides during the years of general prosperity alternated with resting periods during the years of business depression.

3. The great difficulty of maintaining both a tax limit and a debt limit in the face of the steadily expanding public expenditures. In Boston the debt limit proved the weaker, and the temporary relief to the taxpayers fostered indifference to sound management of city affairs.

4. The influence of the state upon city finances in recent years. To an increasing degree the financial policy of Boston has been determined from the State House, as the city has been compelled to finance measures which have been enacted as a part of the state's program of advancement.

The careful and painstaking manner in which the financial details of the city's history have been studied gives this book an enviable distinction among municipal financial histories. This distinction is

enhanced by the valuable interpretation of the deeper currents of public affairs, an interpretation which sets forth clearly the logic of municipal growth. The seamy side of American municipal affairs—political corruption and financial mismanagement—has been handled with severe restraint. If the author's treatment of this topic is really in the proportion that it deserves in Boston's history, then that city has been unique among American municipalities in the quality of its administration.

H. L. LUTZ

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Principles of Commerce. By HARRY GUNNISON BROWN. New York: Macmillan, 1916. 8vo, pp. iv+154+188+207. \$1.50

This book is divided into three parts. Part I, "The Mechanism of Exchange," deals with money, bank credits, and foreign exchange; Part II, "Economic Advantages of Commerce," deals with the gains of trade, the rate of interchange of goods between communities, and with the advantages, and more especially the disadvantages, of tariffs, bounties, and governmental attempts to aid or to interfere with transportation, such as subsidies, navigation laws, harbor improvements, etc.; Part III deals with the problems of the determination of transportation rates.

The author states that his purpose is "to present a theory of commerce in its several more important aspects, while yet so emphasizing the relations of the different branches of the subject to each other as to give unity to the whole."

Why the above fragmentary subject-matter should be called a theory of commerce, or what unity underlies it which even justifies its inclusion in a single volume, is impossible to see. The topics selected for the most part do not even constitute the most important topics in a theory of commerce. Such a theory could not dispense with a discussion of the operation of supply and demand, back to which so many commercial phenomena may be traced; of the nature and significance of the middleman's functions; of the commercial theory of value; of the nature of commercial organization, the factors lying behind it, its relations to industrial organization, the concept of the market, various kinds of markets and their theoretical significance, the various types of trading and their significance. Although space is found for one hundred pages of detailed description of foreign-exchange practice and phenomena, and for a chapter on navigation laws, ship and railroad subsidies, harbor improvements, etc., none of the fundamental topics in